

# The AMERICAN OBSERVER

*A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. —James Monroe*

VOLUME IV, NUMBER 50

WASHINGTON, D. C.

AUGUST 26, 1935

## Canadian Election to Decide on New Deal

**Conservative Premier Dissolves Parliament and Prepares for Fight with Liberals**

### PROGRAM LIKE ROOSEVELT'S

**Mackenzie King, Liberal Leader, and Former Premier, Attacks Interference by State**

Within the next two months, the Dominion of Canada will witness one of the most important election campaigns in her long history. The dominion parliament was dissolved last week, and Canada's legislators went home to argue before the voters in their own constituencies. Another parliament will return after the election on October 14, and in the meantime Canada will have decided whether it wants a far-reaching economic and political "New Deal" under conservative Premier R. B. Bennett, or a return, with Liberal leader Mackenzie King, to Canada's old and tried methods of handling the problems of trade depression and unemployment.

The battle between the Conservative and Liberal parties over Premier Bennett's New Deal, which is modeled closely on the example of the Roosevelt administration, has been smoldering almost a year in the dominion parliament at Ottawa. Now both parties are agreed on one thing—if Canada is going to embark on a far-reaching program that would affect every part of her industrial, agricultural, and governmental structure, the Canadian voters will have to approve the main lines of the program at the polls. So, until October 14, Canada can look forward to an atmosphere of violent political discussion, in which Premier Bennett and Mr. King will play the leading part, but which will also be thrown open to a number of less important political leaders, each with his own solution for Canada's pressing economic problems.

### Premier Bennett

The New Deal is Premier Bennett's solution. Since the first of January, he has advocated a national system of unemployment insurance, health insurance, minimum wage laws, regulation of working hours, relief for agriculture, measures for the control of business competition, and taxation aimed at redistributing the dominion's wealth. Every salient feature of Mr. Roosevelt's program, for which Premier Bennett expressed his sympathy and admiration, was included in the message which the premier addressed to the people of Canada in the early days of 1935. And that program is the one which the Conservatives will present for the October election this year.

It would be very difficult to exaggerate the effect of Mr. Bennett's New Deal speech. He had come into power five years before, in 1930, on a strong Conservative platform. Then he said that the only answer to Canada's agricultural and industrial surplus was the revival of high tariff barriers, a "protective" tariff which would keep foreign goods out of Canada and enable Canadian producers to sell their farm and factory goods at home. He carried out his promise by raising Canada's tariffs to the highest level in history. In this he was supported by the bulk of the Conservative party, which is dominated by Canadian

(Continued on page 2, column 3)



—Halladay in Providence Journal

THE HOME STRETCH

## The American Dream

If the American dream is to come true and to abide with us, it will, at bottom, depend on the people themselves. If we are to achieve a richer and fuller life for all, they have got to know what such an achievement implies. In a modern industrial state, an economic base is essential for all. We point with pride to our "national income," but the nation is only an aggregate of individual men and women, and when we turn from the single figure of total income to the incomes of individuals, we find a more marked injustice in its distribution. There is no reason why wealth, which is a social product, should not be more equitably controlled and distributed in the interests of society. But unless we settle on the values of life, we are likely to attack in a wrong direction and burn the barn to find our penny in the hay.

Above and beyond the mere economic base, the need for a scale of values becomes yet greater. If we are entering on a period in which, not only industry but in other departments of life, the mass is going to count for more and the individual less, and if each and all are to enjoy a richer and fuller life, the level of the mass has got to rise appreciably above what it is at present. It must either rise to a higher level of communal life, or drag that life down to its own, in political leadership, and in the arts and letters.

The point is that if we are to have a rich and full life in which all are to share and play their parts, if the American dream is to be a reality, our communal, spiritual and intellectual life must be distinctly higher than elsewhere, where classes and groups have their separate interests, habits, markets, arts, and lives. If the dream is not to prove possible of fulfillment, we might as well become stark realists, become once more class-conscious, and struggle as individuals or classes against one another. If it is to come true, those on top, financially, intellectually, or otherwise, have got to devote themselves to the "Great Society," and those who are below in the scale have got to strive to rise, not merely economically, but culturally. We cannot become a great democracy by giving ourselves up as individuals to selfishness, physical comfort, and cheap amusements. The very foundation of the American dream of a better and richer life for all is that all, in varying degrees, shall be capable of wanting to share in it. It can never be wrought into a reality by cheap people or by "keeping up with the Joneses." There is nothing whatever in a fortune merely in itself or in a man merely in himself. It all depends on what is made of each. Lincoln was not great because he was born in a log cabin, but because he got out of it—that is, because he rose above the poverty, ignorance, lack of ambition, shiftlessness of character, contentment with mean things and low aims which kept so many thousands in the huts where they were born.

—James Truslow Adams in "The Epic of America"

## National Housing Program Is Retarded

**Decision of Court of Appeals Forbids Land Condemnation for Low-Cost Unit**

### BUSINESS OPPOSITION GREAT

**But Program Moves Forward Despite Temporary Setback by Circuit Judges**

"The government does not have the power. . . ." More and more are we hearing this expression as the New Deal passes in review before the lower and higher courts of the United States. One after another, measures dear to the Roosevelt administration have met rebuke at the hands of judges hostile to the liberal ideas generated in the early, fervent days of the now unpopular Brain Trusters. Some of these, the NRA for example, have been sent into discard by the Supreme Court. Others, like the AAA, are still groping their way through the lower courts and will not come before the highest bench for some months. But whatever the court, the trend of judicial decisions at the present time is against the New Deal.

### Housing Affected

One of the latest of these adverse opinions, although one which in the eyes of the public has been less spectacular than others, affects housing. It will be remembered that one of the most important features of the Roosevelt program was the building of low-cost houses and apartments for the benefit of those who cannot pay the high rents asked by private owners for homes that are fit to live in. Even before the present administration came into office, builders and architects, labor leaders, and politicians, who had watched the \$2,500,000,000 annual expenditure for housing fall off to almost nothing, had seen that there was for the present no use in building more expensive houses and apartments. They came to feel that the millions of people who could not afford elaborate and costly dwellings would be a good market for neat and trim inexpensive homes. The Roosevelt administration carried this idea even further, when it planned not only to lend money toward the cost of building operations, but also to chip in up to 30 per cent of labor and materials cost, provided the project was managed by public corporations set up by the states for the purpose, or by a corporation of its own. It was hoped that two ends would be reached through this scheme. First, business conditions would be stimulated by the large amount of construction work, and unemployment would be reduced; second, thousands of underprivileged families would be lifted out of slums and tenements of our cities and towns and placed in decent living quarters. The objectives, thus, were both economic and social. The Housing Division of the Public Works Administration has been armed with about \$450,000,000 for this purpose.

But the courts have stepped in and have seriously handicapped the housing program. The United States Court of Appeals has ruled that the government cannot acquire land for its housing projects in the same way that it customarily does for its public buildings and parks. According to the

(Concluded on page 8)

## Historical Backgrounds

By David S. Muzzey and Paul D. Miller

### Health and Medical Care

It is probably true, as Harry H. Moore declares in his chapter on health and medical care in "Recent Social Trends," that "human life in this country is wasted quite as recklessly and continuously, quite as surely, in times of peace as in war." Despite the remarkable progress that medical science has made during the last few decades in preventing and curing disease, millions of lives are snuffed out needlessly every year because of inadequate medical care. Nor is this toll due to a lack of knowledge of disease. Few sciences have progressed so rapidly in the modern age as medicine. At the same time, the facilities for coping with deadly disease have increased many times until they are today sufficient to prevent the huge loss of life which occurs. The trouble is that there has always been a wide gap between the producers of medical care—the doctors and dentists and nurses and hospitals—on the one hand, and the consumers, the ailing population, on the other.

We need not discuss the progress in medical care that has been made from the strictly scientific angle. What has been accomplished in the last 40 or 50 years in the way of effecting cures for cancer, typhoid fever, tuberculosis, and many of the scourges which formerly exacted a heavy toll is more or less familiar to most people. The other aspect of the problem, that of making the medical knowledge and equipment available to the masses of people who are in need of proper care, is the one which concerns us most. This is a social problem. It is one which is coming more to the fore as public attention is demanding some method of bridging the gap and as expert study is being devoted to its solution. We shall discuss, therefore, the attempts which are being made to attack the social angle of the problem and the recommendations for future action in meeting the people's requirements for medical attention.

Perhaps the most significant recent development has been the trend toward organized action in combating specific diseases. Organizations, national in scope, have been formed for the purpose of fighting cancer, heart disease, tuberculosis, mental disease, blindness, and a number of other ailments. The National Tuberculosis Association is an excellent example of the type of work that is being accomplished by organizations of this kind. At present there are more than 2,000 local and state associations affiliated with the national organization. Through its efforts in establishing and maintaining hospitals, clinics, open-air schools, sanatoria, thousands of lives are saved every year.

Other significant developments include the hospital and clinic with their numerous services. By pooling their efforts, doctors can avail themselves of the best medical equipment and facilities which they would not have if they were acting independently. Moreover, a number of hospitals and clinics are prepared to take patients who are unable to bear all or even part of the expenses. Along with improvements in these lines have come medical services for special groups. Many of the large industries now employ physicians, dentists, nurses, and medical facilities for their employees. The same thing is to be noted among the universities and the col-

leges. In both cases, the services are more adequate and more economical than would be possible if the individual worker or student were responsible for his own medical care.

Government itself has stepped into the health picture and is doing more today than ever before to protect its citizens from disease. The federal government has two dozen or so agencies which are engaged in work of this kind. The Public Health Service, the largest federal agency, is spending millions a year to prevent the introduction of infectious disease from outside the country, to prevent the interstate spread of disease, to carry on scientific research, and in other ways to look after public health. The Children's Bureau is another health agency of the federal government, working to promote child health and welfare. Each of the states has its health agencies. Since the war, state expenditures for health purposes have trebled. Likewise, the county and city health services have improved in efficiency and expanded in activity.

The health services provided by government, federal, state and local, offer a good example of spreading the costs of medical care. Since the costs are paid by taxes, the burden is shared by all taxpayers. At present these expenses amount to between one and two dollars a year per capita. Outside the government, however, little progress has been made in spreading the costs of medical care, although a number of experiments are now being conducted. A number of individuals have taken out health or sickness insurance, which works in much the same manner as life or accident insurance. Workmen's compensation, though designed primarily to take care of employees who are disabled as a result of accidents, is today being expanded to cover disability caused by disease. A number of hospitals have adopted systems whereby medical bills may be made on the installment plan. Although this is not spreading the costs it does make payment easier.

There are at present a number of group clinics and hospitals operating on the spread-the-cost principle. For the payment of a certain sum of money every month, an individual is entitled to medical care when he needs it. In many cases, the plan



VANCOUVER HARBOR, BRITISH COLUMBIA

© Ewing Galloway

pending on the hospital accommodations selected, and entitles one to complete hospital service for no more than 21 days a year, and to certain other services.

All these experiments are designed to cope with what is probably the most serious of health problems, the unequal costs of medical care. But they are still so limited as to include only a small fraction of the population. It appears that more drastic action will have to be taken in the future if the problem is really to be solved. The three possible lines of attack suggested by Mr. Moore in his chapter in "Recent Social Trends" are: (1) expansion of the government's health services, including the treatment of disease; (2) continuation of the work of private agencies, such as the group clinics, so as to bring adequate medical care to the masses by spreading the costs on an insurance basis; (3) compulsory state sickness insurance, patterned along the lines of European systems.

### Canadian Election to Decide on New Deal

(Continued from page 1, column 1)

bankers and manufacturers. For five years he held fast to the high tariff policy, hoping for a decrease in unemployment and surplus goods. By the middle of 1934 unemployment was not relieved, and opposition to the Conservative party was growing throughout Canada.

Abruptly Mr. Bennett changed his tack, and delivered his famous New Deal speeches, outlining a revolutionary change in the program of his party. The premier declared that foreign trade was no longer the best weapon for fighting depression. Instead, he called for a reorganization of economic life at home, scaling down the load of debt which the farmers were carrying, increasing the income of labor by shortening hours and raising wages, relieving unemployment by paying government money to the unemployed and trying to fit them back into the economic system. He pointed to the Ottawa agreements, which Canada had drawn up with Great Britain in 1932, providing for special tariff relations between the two countries in an effort to revive foreign trade, as an example of the insufficiency of the old Conservative methods. Foreign trade had increased, but not enough. Canada would have to meet her problems, which were not materially differ-

ent from those of the United States, by a bold New Deal program. Then Mr. Bennett set himself wholeheartedly to the task of putting his program into law.

### Canada's Political Structure

There the premier faced serious difficulties. He controlled the dominion parliament at Ottawa, but that was only one of Canada's eight governments, and its authority for a far-reaching reorganization of Canada's affairs, such as would be implied in the premier's New Deal, was questioned on all sides. Instead of criticizing the New Deal as an invasion of "state's rights," as many Americans are doing now, the Canadian opponents of Mr. Bennett's policies said that he was encroaching on the rights of Canada's seven provinces. Like the American New Deal, the Canadian New Deal was "unconstitutional."

It is true that in Canada governmental authority is divided between the dominion government at Ottawa and the governments of the various provinces. Whereas in the United States the individual states retain all rights which they have not specifically handed over to the Congress at Washington, the arrangement in Canada is exactly the reverse. There, the national government retains all rights that it has not handed over to the provinces. In other words, it was much easier for Premier Bennett to give the benefit of the doubt to the national government than it has been for President Roosevelt. He could maintain that the national government had never surrendered to the provinces the right to deal with national economic emergencies, and claim for the Ottawa parliament the right to put into effect a nation-wide New Deal program.

### Mackenzie King

The Liberal party is under the leadership of W. H. Mackenzie King, who was premier at Ottawa from 1921 to 1930. Mr. King opposes the Bennett program on two grounds. First, he believes that it will involve too much government interference with the individual citizen. A New Deal would mean fixing the hours and wages of labor, regulating the methods of business competition, and establishing, in many cases, the prices at which wheat and manufactured goods could be sold. That would

(Concluded on page 7, column 4)



PARLIAMENT BUILDINGS IN OTTAWA

is elastic enough to permit the individual or the family to decide the extent to which he wants the group clinic to care for his medical needs, and his monthly or annual payments are governed accordingly. A number of group clinics and medical organizations specialize in service to employees. One in Texas, for example, has a membership of several thousand school teachers, firemen, newspaper employees, and others. Membership costs \$6 or \$10 a year, de-

### The American Observer

A Weekly Review of Social Thought and Action

Published weekly throughout the year (except two issues in December) by the Civic Education Service, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester.

Entered as second-class matter Sept 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

### EDITORIAL BOARD

CHARLES A. BEARD HAROLD G. MOULTON  
GEORGE S. COUNTS DAVID S. MUZZEY  
WALTER E. MYER, Editor

PAUL D. MILLER, Associate Editor

# AROUND THE WORLD

**Italy-Ethiopia:** The faint ray of hope for peaceful settlement in the Italo-Ethiopian crisis was abruptly extinguished when Mussolini, through his representative Baron Pompeo Aloisi, flatly turned down all the concessions which France and England offered him at the recent Paris three-power conference. Now only a forceful stand by the League of Nations Council on September 4 can even temporarily halt Il Duce's war plans, and on the basis of the League's former actions, no word from it is expected to halt the impending conflict.

What lies ahead? Competent observers say it is only a matter of weeks before Mussolini orders the troops into battle. France, wishing to keep the friendship of both Italy and Great Britain, is put in a tight place. Long the most ardent supporter of the League, and a believer in sanctions, she recognizes that Italy will leave the League without much provocation. This will not only mean the end of the League as a peace-making body, but it is apt to leave the way open for an Italo-German understanding which France, quite naturally, would deplore. However, if France backs down on the League, she is liable to lose the support of Great Britain, and that also she cannot afford at this time. So far, Laval has maintained an impartial stand, but he may not be able to pursue this course any longer.

England is greatly worried. Sir Samuel Hoare, the foreign secretary, has consulted with the king. Prime Minister Baldwin has returned from vacation, and there is talk of an emergency session of parliament. Her long superiority as a naval power in the Mediterranean is severely threatened. Italian plans have disclosed how completely Italy could bottle up the straits between Africa and Sicily by the use of mines, and how obsolete the British stronghold at Malta has been made by the use of airplanes. Great Britain has colonies in Africa which she must protect; she must keep open the Mediterranean for her commerce with India and Australia. Her action at present is undecided. The arms embargo on Italy and Ethiopia has not yet been lifted; if it is, it will probably be in favor of Ethiopia only. Meanwhile, through diplomatic



© Wide World

LAVAL DISCUSSES MATTERS WITH ALOISI  
The French premier quietly canvasses the Ethiopian crisis with Mussolini's delegate to the League and to the Three-Power Conference.

## Highlights Overseas

In the face of an approaching international crisis, Great Britain still had enough faith in consultation to propose a preliminary naval conference for the signatories of the Washington Naval Treaty of 1922 which expires next year. Japan, desiring parity, will probably refuse; the United States will doubtless attend.

Panama's "Platt Amendment," under which she has chafed for the past 32 years, has been scrapped. Under a new agreement drawn up after months of conference, the United States will no longer guarantee the republic's independence or have the right to intervene to preserve order.

Julius Streicher, prominent anti-Semite, told 50,000 Berliners to campaign against all "enemies of the state," while a few days later, Dr. Hjalmar Schacht, minister of economics, attacked Jew-baiting as a damaging blow to trade, a speech which was promptly suppressed by the press.

With her future status of monarchy or republic to be decided in a referendum of the people this fall, Greece has already split up into very definite lines of opinion. Seldom has there been such controversial discussion and debate.

Japan will drive the final spikes into the Hsinking-Rashin railroad in Manchoukuo early this fall, thus bringing to attainment one of her fondest dreams. This railroad will open up for expansion rich uninhabited regions, and will do much to develop the new port of Rashin, which the

Japanese expect will ruin the prosperity of Siberia's port of Vladivostok.

Apparently encouraged by the ousting of Governor Paul Pearson from the Virgin Islands, Puerto Rico is concentrating her forces again on Governor Blanton Winship. Delay in getting United States' appropriations and lack of administrative cooperation are said to be the main sources of trouble.

The Mandates Commission of the League of Nations demanded of France and Great Britain, mandatories of Syria and Palestine respectively, the reason why Japan, non-member of the League, should receive equal rights with other nations in matters of trade.

Over 2,400 delegates from 43 countries met at Lucerne, Switzerland, for the nineteenth biennial Zionist Congress. The Zionist movement has long been directed toward the formation of a new Jewish nation in Palestine.

Brazilians think President Roosevelt a second Santa Claus because of the AAA's crop reduction program which has encouraged Brazilian production of cotton. This was the report of Colonel Theodore Roosevelt who has just returned from an expedition there.

Sir Alexander Hore-Ruthven was appointed governor-general of Australia to succeed the 80-year old Sir Isaac Alfred Isaacs.

channels, she is trying to impress on the United States the necessity of coöperation to prevent the conflict.

There is a growing disposition on the part of the British foreign office to press for the application of economic sanctions by the League. But for action of this type to be effective the coöperation not only of all League members but of such non-member countries as Germany, Japan and the United States would be essential. The attitude of the United States is problematical. Mindful of the temper of American public opinion with regard to intervention in European affairs, the State Department would hesitate to make any pledges of direct assistance. Japan probably would join for she is anxious to check Italy. No one can say about Germany.

All Europe is nervous, not so much because of the single fact that Italy is going to invade a small country in Africa, but because of the fear that the war cannot be localized. Germany, now fully prepared for action, is the object of all eyes, for she might very well take this opportunity to expand southward. Without trying to be too pessimistic, most observers believe the situation critical, similar in nature to the months before the explosion of 1914.

\* \* \*

**Austria:** Few people knew that the young athletic-looking man staying recently at a castle near Belgrade in Yugoslavia was His Serene Highness Ernst - Ruediger - Camillo - Maria, Prince of Starhemberg—and vice-chancellor of Austria. When the news did leak out, however, commentators sought out the reason for this secret visit. Their answer, though it lacked proof, was practically unanimous: the question of the Hapsburg restoration was being discussed again.

Whether the return of this once-proud family, expelled from Austria at the close of the World War, would do anything to stabilize the tense European situation is a matter of conjecture. Many people, seeing Austria as the present pawn of Italy and yet ultimately faced with the necessity of some understanding with Germany, believe that the return of young Archduke Otto would do much to insure Austrian unity and independence. Others see in it a disastrous step, sure to split further apart the now warring factions within the government, and to cause grave international complications.

Austria's position is a difficult one. By language, and in part by feeling, she is bound to Germany. Vienna is the key to the Danubian basin, where Germany can profitably sell her manufactures in return for much-needed foods and agricultural products. From all points of view, a union would be most favorable to Germany. Nazism, quite naturally, has made great headway in Austria, but the *putsch* a year ago, resulting in the death of Chancellor Dollfuss, was a fatal move. Mussolini immediately ordered his troops to the border, and whatever chance unarmed Germany had in bringing about an *Anschluss* (union) was quickly smashed. Then came a sudden reaction and to the helm of Austrian affairs ascended Chancellor Kurt Schuschnigg, mild anti-Nazi, and as vice-chancellor, Prince von Starhemberg, himself a Fascist, an idol of Mussolini's, and a confirmed opponent of Hitler and union with Germany.

Italy is now moving toward Ethiopia, and France, which in 1931 prevented the Austro-German tariff union by threatening to withdraw her financial support, is hardly in any position to make demands of Austria because of her own internal condition. This makes the door to Austria slightly more ajar if Hitler, now armed to the teeth, should choose to enter. But constantly shifting opinion in Austria today seems to favor the Hapsburg return long before any union with Germany. Austrian independence is a cry reëchoed in almost every newspaper and magazine. The people are tired of internal dissension, and long for the liberty and prosperity that was theirs under the Hapsburgs. Prince von Starhemberg has openly declared himself in favor of it, and the conservatives, Roman Catholics and army officers have backed him up. Even the working classes, firmly grounded in Marxism, concede that a monarchy could

not be worse and might be a good deal better.

What, then, is blocking the way? It is the opposition of the Little Entente (Czechoslovakia, Rumania, Yugoslavia), and of these three countries, especially Yugoslavia. Monarchy to them signifies expansion and domination. Feeling between Italy and Yugoslavia has never been friendly since the celebrated Fiume incident in 1919 and has grown more bitter since the assassination of King Alexander I. Yugoslavia, distrusting the relationship between Austria and Italy, has fashioned a closer bond with Germany, a friendship which has the firm disapproval of France, Italy, and Austria as well.

\* \* \*

**Paraguay:** The slow-moving peace conferences between the two disputants of the Chaco War, Paraguay and Bolivia, has struck a snag which threatens to block any progress for some time. When the two countries agreed to arbitrate their three-year struggle which ended in a practical stalemate, observers were optimistically looking forward to a quick agreement. Instead of swapping demand for demand, however, each country has laid down its iron-clad beliefs and so far refuses to have them altered.



HUGH S. GIBSON

At present, there are two matters of dispute. The first is concerning the exchange of war prisoners, which Hugh S. Gibson, the United States ambassador to Brazil, is supervising. To date Bolivia has demobilized over 18,000 men and Paraguay over 30,000, but now Paraguay demands that prisoner be exchanged for prisoner in opposition to Bolivia, who wants them all freed at once. The second point in argument, and this is more important, is Paraguay's refusal even to consider Bolivia's request for an outlet to the sea through the upper Paraguay river. The latter country has long desired this entrance, and if she does not obtain it now, she may continue the struggle. Meanwhile the patience of those serving on commissions, some of which have labored on and off for three years, is being rapidly exhausted.



SECURITY AT LAST

After many months of consideration the Social Security bill finally became law on August 14 when President Roosevelt affixed his signature to the act.

© Harris and Ewing

## The President

### Shoulder-Peepers

Well-bred youngsters are taught early that to peep over someone's shoulder is rude. To peep over the square, well-tailored shoulders of the President of the United States is customary, however, when he is facing the camera, pen in hand, to sign an important bill, and when the shoulder-peepers have worked hard and effectively for the legislation about to be approved.

Shoulder-peepers photographed with President Roosevelt last week as he signed the social security bill included Secretary of Labor Frances Perkins, and New York's Senator Robert F. Wagner. Had the camera lens been wide and penetrating enough, it might have caught in the background 30,000,000 other shoulder-peepers, America's aged and unemployed, pathetically eager to know what the scratching of Franklin Roosevelt's gold-nibbed pen had done for them.

They found, or will find, that for the immediate present only the aged poor over 65 will receive benefits from the act. The government is willing to match dollars evenly with any state having old-age pension laws for the support of these aged paupers, but in no case will the government pay more than \$15 a month per pauper. Those under 65 and now employed will contribute, along with their employers, to a government-operated annuity system which will in old age pay a pension of from \$10 to \$85 per month, its size depending on how many years the worker has contributed and on how large his salary has been. He will receive this pension at 65 regardless of whether or not he has other savings or property.

Security to those now employed but fearing for their jobs will be provided by an unemployment insurance plan, under which the boss will be taxed one per cent of his total payroll beginning next January, the rate hiked to two per cent in 1937, and three per cent in 1938. A worker being fired or losing his job would receive a sum to help tide him over a short depression, the sum's size depending on how much had been paid in his name into the fund.

Carefully planned, but of necessity complicated, depending in most cases on states' matching federal funds, the social security bill will baffle many bewildered and care-lined old faces, strained old eyes peering hopefully, desperately over the well-tailored shoulders in the White House.

In a world today so full of bitter uncertainties, what of peace and security will this scratching pen bring to them during those few years which remain until they must face life's one great and final certainty?

## Congress

### The Last Lap

Eight telephones jingling in different parts of Washington Sunday afternoon summoned

eight men to the White House. Later that evening the eight—Vice-President Garner and seven chairmen of important congressional committees—filed out of President Roosevelt's private office with a week's work planned. With Congress moving toward certain adjournment at the week-end, the President and his conferees had heavily underscored 13 bills now on the congressional calendar, marking them as saved, if possible, from that massacre of half-considered legislation which marks the adjournment of every legislative body of every state and nation.

Of these 13 bills, marked to be saved from the slaughter of innocents 11 were "must" bills, two were "should" bills. Pending legislation on President Roosevelt's "must" list to Congress included:

1. The new tax measure, heavily increasing present levies on large incomes and estates. Tagged by its friends as a "soak the rich" measure, branded by its leading enemy, rich publisher William Randolph Hearst, as a "soak the successful" bill, the new tax law was urged on Congress by the President in a special message early in the summer. Observers saw in this message an attempt to



MYRNA LOY —Courtesy MGM

Must have twice President Roosevelt's salary.

take political wind out of Senator Huey P. Long's "share the wealth" campaign. Its critics object to it as class legislation, pointing out that as a revenue measure it is a joke, as its total yield for this year would be but three-tenths of one per cent of what the New Deal spent.

2. The Wheeler-Rayburn bill to control utilities holding companies, whose "death sentence" clause was still in dispute between the two houses.

3. A measure for federal control of alcohol, made necessary by the Supreme Court's butchery of NRA. New Dealers had turned over to the Blue Eagle the task of regulating the manufacture, sale, and distribution of alcohol and its various beverages. Sundry

# The Week in the

## What the American People

By WHIT

amendments to the Tennessee Valley Authority, extending and clarifying the power of that body to manufacture and sell power from the vast government plant at Muscle Shoals. Fearing that Muscle Shoals may strike stormy weather when it gets to the Supreme Court, Brain Trusters have rewritten these amendments in a way which they hope will conform with the Supreme Court's recent decisions.

5. An ancient principle of monarchical law, "the king can do no wrong" has been adapted by republics into the principle that no citizen can sue his government for damages without the government's consent. The administration, wishing to guard itself from suits brought in the future by holders of "gold clause" bonds and mortgages as a result of the government's revaluation of the dollar, formally and officially prohibits such suits.

6. Many economists believe that if the depression could not have been entirely prevented, it could have been softened and shortened by proper management of the country's credit and currency through a far-sighted and powerful Federal Reserve Board. Congress attempts, in the present banking bill, to lock the barn and prevent the theft of future horses. Disputes as to who should appoint such a new board and who control it—the government or the nation's bankers—raged heavily last month in Congress, but were reported settled in a compromise bill early last week.

7. The Guffey coal bill is another remnant of the Blue Eagle's demise. In this act Congress tries to do through prohibitive taxation what the Supreme Court said it could not do through the NRA—namely, to regulate hours, wages, and prices in the coal industry. Both mine operators' and miners' unions are eager for the bill, which the President urged Congress to pass despite any doubts they might have as to its constitutionality, thus raising a furor of Republican charges that he was setting himself above the Constitution.

8. All modern powers heavily subsidize their merchant marines with taxpayers' money, partly because of their importance as troop and supply ships in time of war. In the past America has subsidized her auxiliary navy indirectly by providing American shipping lines with fat mail contracts, so that this item for the support of auxiliary cruisers remained deeply and safely hidden in the annual postal deficit. What other nations do frankly, and the United States since the war has done by sly subterfuge, the New Deal now proposes to do openly in the pending ship subsidy bill.

9. The war profits bill is an earnest attempt to make the next war as unpopular with international bankers and munitions makers as it certainly will be with the American boys who must pick their way along trenches and through barbed-wire entanglements. It provides that all war profits above a modest six per cent will be confiscated by the government, sets out a framework for compulsory mobilization of wartime industry and agriculture. Its critics claim it contains many unworkable and hysterical provisions which will have to be repealed when the next war actually comes.

10. The Copeland pure food bill contains what was left of the original Tugwell bill when the rich newspaper publishers and the patent medicine and cosmetic lobbies got through with it.

11. The Walsh government contract bill is another attempt to salvage something from the legal wreckage of NRA. It provides that companies bidding on government supply contracts must abide by the old Blue Eagle wage and hour standards.

The above 11 measures completed President Roosevelt's "must" list to his Congress. His "should" list comprised two measures which carried, if not the executive mandate, at least the executive blessing.

12. The Frazier-Lemke farm mortgage act of last session contained terms which were so liberal to farmer debtors that the Supreme Court declared it unconstitutional because it was confiscatory to their city creditors. In a new version of this, as in the newly revised—

13. Railway pension act, also declared un-

constitutional by the Supreme Court, Congress felt that it had modified phrases changed legal formulae in such a way as to mollify the nine strong-minded elder statesmen who, under the present United States Constitution, act as a court of final review for acts of Congress and the President.

## Politics

### Red to Pink

As American flappers turn to Hollywood, American socialites to London, American Catholics to Rome, and American artists to Paris, so American Communists turn to Moscow.

Last week delegates from the Communist

THROW THAT DIRTY  
OLD BONE AWAY AND  
COME WITH ME. I'LL  
GET YOU A BIGGER  
ONE WITH LOTS MORE  
MEAT ON IT.



A DOG PRESS

parties of almost every country in the world were gathered in the Kremlin where the world's only Communist government was acting as hostess and mother-superior to the far-flung offspring, the occasion being the lengthy annual convention of the Third International, world-wide powwow of Reds.

Interested American liberals and suspicious American red-baiters who followed daily reports from this congress were surprised to find that in Moscow Earl Browder, secretary general of the United States Communist party and therefore the Stalin of American Red, was proposing to merge American Communism for political purposes into a larger "American Farmers' and Workers' party," for the Communist Browder dictated in advance the following platform:

### Platform Lumber

1. Confiscation by the United States of closed factories, their operation by the government.

# United States

## Doing, Saying, and Thinking

WHITE

2. Taxation of capital to provide funds for insurance.
3. Abolition of the right of the Supreme Court to make laws (meaning apparently of the Court's right to declare unconstitutional acts of Congress).
4. Democratization of the United States Senate.
5. Representation in Congress "in proportion to territories, parties, etc."

Surprised commentators noted that the American Reds' program contains no demands for abolition of money, of private property, of the bourgeoisie, of religion, proposes no bloody revolution to hang the partners of J. P. Morgan and Company from Wall Street's lampposts, does not urge any other dire specters by which Moscow has in the past thrown America's middle classes into convulsions.



—Carlisle in Wichita EAGLE

In fact, the Red platform is not more than a few steps to the left of America's New Deal. It was advocated by Democrat Upton Sinclair in California.

Plan 2 is already partly on congressional books, as under the recently enacted Social Security law. Capital bears part of the cost of unemployment insurance and old-age pensions.

Plan 3 might conceivably be favored by Franklin D. Roosevelt himself as an amendment to the United States Constitution, giving Congress powers now enjoyed by the state legislatures and many other world bodies.

Plan 4 has been strenuously advocated by American progressives for a decade, who think that heavy campaign expenditures make the United States Senate a rich man's club.

Plan 5, proportional representation, giving each party as many votes in Congress as the party receives at the polls, is used in many European countries, but if adopted

here would hardly give America's 60,000 Reds even one congressman, at the party's present rate of alternate growth and shrinkage.

Reasons for this surprising mildness Comrade Browder and other comrades explained to the Moscow International. The Reds' most dangerous foe is no longer the world's democratic bourgeois governments which let the Reds parade and talk, but Fascism, which murders, tortures Red speakers, outlaws all Red organizations.

Communists now propose to unite with Liberals and Socialists, to present a "united front" to Fascism. Into their newer, milder American Farmers' and Workers' party Reds would herd not only Communists, but socialists, liberals, mild progressives, all who favor reform but oppose Fascism.

However, Comrade Browder points out quickly, "such a government would not be in a position to build a socialist state or destroy capitalism." Yet it would "serve as a barrier against reaction . . . until the masses, by the logic of history, come to the inevitable conclusion that they need . . . a Soviet government."

Illlogical American liberals, in spite of Comrade Browder's reasoning, apparently remained persuaded that their most effective and time-tested barrier against reaction in the United States is Franklin Delano Roosevelt.

## Miscellany

### Long Shadows

The arctic, even in summer midday, is a land of long shadows. In early spring the pale sun dodges fitfully behind jagged ice floes and frozen mountain ranges, striving for a sunrise which never quite comes. In midsummer it manages to rise slightly in the sky, where it wheels monotonously in a pale everlasting twilight, which is the arctic noon, thawing the glaciers into furiously churning mountain brooks, melting the snows on arctic tundras into pools and clear ponds dotted among fields of rugged, rapidly growing arctic grasses.

Into this eerie land of half-frozen twilight last week soared two famous Americans on an idyl of midsummer adventure and vacation—one-eyed Wiley Post, America's No. 2 aviator, and Will Rogers, America's No. 1 comedian. Leaving the heat and little irritations of an American summer behind them, these "two Oklahoma boys tryin' to git along" hopped off from Seattle August 7 for an unannounced destination in Post's Silver Lockheed, arriving at Juneau that evening, at Dawson August 9, at Akavik August 10, at Fairbanks August 12, at Anchorage August 14, back to Fairbanks on August 15, from where they took off for Point Barrow. Fifty miles out a chill blanket of fog came steaming up from the dripping tundras, and Pilot Post brought the Lockheed's pontoons skimming down on the surface of Harding Lake, presently resuming their journey.

A few hours later, apparently uncertain of his bearings, Post again brought the Lockheed's pontoons down on a shallow river, to ask the slant-eyed, moon-faced Eskimo natives the way to Point Barrow, which, it turned out, was only 15 miles off.

The gnarled little arctic scrub pines were casting their long shadows in the stream's clear waters when Pilot Post's propeller whirled in the take-off. The dripping pontoons left the surface, but before the wide ripples had had time to break against the stream's pebbly banks came the irregular fluttering little noise which all aviators dread—a sputtering motor in a take-off. Thus over the low shadows of the scrub pines fell the longer shadow of death.

From a crackling radio in Point Barrow, where the western hemisphere stares out at the arctic ocean, Staff Sergeant Stanley R. Morgan sent the news which set presses whirling with extras in San Francisco, Chicago, New York and the American public, reading the fresh ink, tried vainly to imagine a world



© Acme

### TAKING MATTERS INTO THEIR OWN HANDS

The Supreme Court having declared the Frazier-Lemke farm mortgage moratorium law unconstitutional, farmers are again resorting to force to prevent foreclosures.

without the kindly comedy of Will Rogers.

For more than a decade he has compressed the significance of the day's news into a brief witty paragraph with an angle and a phrasing which the common man could understand. The coming of the talkies has brought him into every American home,—his Oklahoma drawl, his little mannerisms,—as a shrewd, simple, kindly friend.

If the late Flo Ziegfeld glorified the American girl, the late Will Rogers glorified the national inferiority complex. His embarrassed stammer, his seeming inability, on the stage, to manage his hands and feet while talking, and finally his apologetic grin, gave him the instant sympathy of the crowd. Always he took his stance with the common man, and the arrows of his wit were aimed upward at the proud and the great, never downward at the weak.

In a typical Rogers crack he is reported to have said to Mrs. Calvin Coolidge, "Well, Grace, I admit you can imitate Cal better than I can, but look what you had to go through to learn it."

An unaffected homespun sincerity was his greatest asset with his public. They knew he never felt the necessity of assuming a Boston

Post. The fact that America's No. 1 comedian was also the country's premier amateur aviation enthusiast, has had great publicity value for the aviation industry in its never-ending campaign to convince the public that commercial flying is safe.

Had President Morgan feared that Rogers' death would produce an equally strong reaction against the safety of flying, he could not have done better than he did in published letters to the two widows, in which he obliquely pointed out that the journey was an "adventurous flight over uncharted wastes," that Rogers had "flown 150,000 miles over regularly scheduled airlines without accident," praising Post's "adventurous spirit" which made him a "true pioneer, ever seeking new paths over uncharted wastes."

Meanwhile the American Congress paid substantial tribute to these qualities and to Post's record-breaking flight round the globe by passing in one day a bill to purchase the *Winnie Mae*, to install it in the Smithsonian Institution with *The Spirit of St. Louis*.

### How Much for Myrna?

Beauteous, pop-eyed, flaring-nostriled movie actress Myrna Loy last week broke her contract with Metro-Goldwyn-Mayer Pictures Corporation. Complained Miss Loy: "After making fifteen pictures in two years . . . the manner in which I have been treated has brought me close to a breakdown."

Complained Nicholas M. Schenk, M-G-M's president, "Miss Loy receives \$1,500 weekly . . . has chosen to demand arbitrarily an increase to \$3,000 per week."

How much are Miss Loy's talents worth to society? America's most responsible administrative job furnishes its holder with a house, a swimming pool, an air-conditioned office, an allowance for entertainment, plus a salary check drawn on the United States treasury amounting to about \$1,500 per week payable to Franklin Delano Roosevelt.

For her part in amusing the United States public as she did expertly in "The Thin Man," for chilling the marrow of its backbone as she did in previous horror pictures, Miss Loy asks twice the salary of Job-Holder Roosevelt.

In capitalistic America Miss Loy's value is measured solely by the number of nickels, dimes, and quarters which her name attracts to the scratched glass counters of movie box offices where her name is displayed.

In Communist Russia much the same system prevails. In the revolution's early days when the Bolshevik government had taken over the management of Russian opera, Russian commissars decided to apply principles of economic equality to artists, to pay singers and actors the same wages as scene-shifters.

Whereupon Feodor Chaliapin, famed Russian opera star, informed the commissars that, under such a system, he would prefer hustling canvas and hauling up curtains to singing. After a week during which singer-actor Chaliapin tugged at ropes, shoved canvas scenery backstage in Moscow's opera house, Soviet authorities yielded to the pressure of outraged Russian opera lovers, and scene-shifter Chaliapin returned to the footlights at a salary comparable to that paid artists in bourgeois countries.



© U. & U.

WILL ROGERS

Suddenly in an Alaskan fog . . .

accent when talking with the Prince of Wales, or a stiff wing collar while dining at the White House.

Meanwhile consternation mingled with sadness in Hollywood, where Rogers had completed three of 10 scheduled pictures for Fox-Twentieth Century. Of these, two just released are "Steamboat Round the Bend" and "Doubting Thomas." A third, "In Old Kentucky," is still in storage. What, wonders Fox-Twentieth Century, will the public's reaction be to the flickering shadow of its dead idol?

Uneasiness also mingled with the sorrow expressed by Thomas A. Morgan, president of the Aeronautical Chamber of Commerce of America, in messages to Widows Rogers and

## Among the New Books

### Innocents Abroad

"We Owed It to the Children," by Grace L. Roosevelt. (New York: Coward-McCann. \$1.90.)

THE Roosevelts, Mr. and Mrs. Archie, Sr., and their two eldest children, Archie, Jr., and Theodora, decided to take an unusual trip to Europe; so they rented their home, packed 31 pieces of baggage into a 1928 open-touring model Franklin, and sailed for Greece. Before reaching the port of Patras, where they were to disembark, they stopped off in the Azores, at Portugal, Algiers, Naples, and Palermo. Upon their arrival at Patras they discovered, to their great dismay, that there was no road between that town and Athens, and were forced to go by boat.

The family spent days motoring through Greece, stopping at unspeakable hotels and camping among the sheep and shepherds. They found their sleep disturbed by queer animals, both in the hotels and in the country. From Greece, they toured Albania and Yugoslavia. Thence they went by boat to Venice and motored north through Switzerland to Paris. The experiences of the family during the six-week stay in Paris are among the most amusing in the book, and Mrs. Roosevelt's comments on the ways of the French are as refreshing as they are enlightening.

If this is not the most informative of travel books, it is certainly one of the most delightful we have read. There is an informality of style and subject that is all too rare in books of this kind. While Mrs. Roosevelt does at times attempt to acquaint the readers with the historical background of various places of the peregrination, the chief interest lies in the account of personal experiences and anecdotes. In speaking of what the family learned from the trip, she says that "Archie, Jr., and Theodora learned to endure discomfort and incidentally their parents. Archie, Sr., learned that it was harder to move a family than a company of infantry. As for me—I guess I am just incapable of learning anything, for I am ready to start off again at a moment's notice!"

### ABC of Power

"Public Utilities and the People," by William A. Prendergast. (New York: Appleton-Century. \$3.)

ALTHOUGH published two years ago, this book is as timely and useful today as then. It is something of an ABC book on the electric power industry, explaining clearly and dispassionately the highly controversial issues which have arisen in connection with the industry during the last decade or so. A detailed discussion of holding companies, their uses and abuses, organization, and recommendations for regulation is of invaluable assistance to the person who would follow intelligently the present dispute over the power issue.

In discussing the power problem, Mr. Prendergast keeps one question constantly in mind. Should the electric industry of the United States be publicly owned and operated, or should it be effectively regulated? Before reaching any definite conclusions on the subject, he examines impartially the evidence on both sides, cites the arguments of advocates and opponents

of public ownership, and gives a brief account of the important experiments in public ownership in this country and abroad. He does not believe that the government's entry into the electric power business would result in the benefits claimed by advocates. In his opinion, the evidence points in the opposite direction. What is urgently necessary, according to Mr. Prendergast, is effective regulation of the entire industry,



From a drawing by Wallace Morgan in "We Owed It to the Children."

from the operating companies through the top holding company, by the state and the federal governments.

### Whaling in the Antarctic

"Whalers of the Midnight Sun," by Alan Villiers. (New York: Scribners. \$2.)

AS SUGGESTED by the subtitle, this book is a "story of modern whaling in the Antarctic." Although written in fiction form, practically all the episodes which Mr. Villiers relates were actually experienced by him when he went on a whaling expedition into the Antarctic on a 12,000-ton Norwegian vessel a number of years ago.

The story deals with the adventures of one Alfie Stephens, a young stowaway on a whaling vessel from Australia to the Antarctic. Some of the incidents are filled with pure adventure, while others, such as the account of mutiny among the crew which was practically starved, are as terrible as any described in the literature of the sea. Aside from the sheer enjoyment which the lover of adventure tales will receive from this book, there are accurate and authentic descriptions of modern whalers and the conditions under which they work.

### From the Magazines

"Britain's Baldwin," by Harold J. Laski. *Current History*, August, 1935.

Harold J. Laski, professor of political science in the University of London and a leader in the British Labor party, analyzes England's new premier in a fair and friendly spirit, although he has often gone on record as a thoroughgoing opponent of Mr. Baldwin's policies. Stanley Baldwin's secret, Mr. Laski says, is that he is the typical Englishman. "With his pipe, his round, jolly face, his air of easy bonhomie, his liking for 'sound' books, his hatred of intellectual pretension, his real zest for the countryside, his apparent and insistent simplicity, he seems just like one's neighbor who runs to catch the 9:15 at the suburban station every morning. Everyone feels that with Mr. Baldwin in power, a man one knows is in power."

His qualities are many and valuable, for Mr. Baldwin, "in the best sense of the

word, is an English gentleman. He plays the game fairly and fully as he knows the rules of the game. . . . He hates undue interference with his fellows. He has moments of surprisingly imaginative insight. He is always capable of self-restraint; his anger is emphatic and loosed by a deliberate effort of will." But Mr. Baldwin has the defects of his qualities. His ideas are "inescapably linked to the environmental tradition of which he is a part. The son of a wealthy manufacturer, the product of Harrow and Cambridge, there is nothing of the innovator in him." And, most damaging of all in the eyes of Professor Laski, "what he has never seen is the degree to which the operation of the rules of the game necessarily weights its result to the advantage of one set of the players."

"Chemistry Wrecks the Farm," by Wayne W. Parrish and Harold F. Clark. *Harpers*, August, 1935.

The purpose of the AAA is to enable farmers to limit their production. The government pays them for cutting down their crops, establishes quotas to be planted and harvested, lends them money—all in an effort to cut down the volume of agricultural production. Many critics of the AAA have pointed to the fact that this policy will make great inroads into our foreign trade; exports of wheat and cotton have already declined. What is the necessity behind the government's agricultural program?

According to Mr. Parrish and Mr. Clark, chemistry is the force which is changing the agriculture of the world. It is making land more productive, and thus making it possible for even crowded nations to be self-sufficient agriculturally. On a world scale, this means that the amount of soil, and the number of people, devoted to farming will have to be reduced. The AAA is our government's attempt to reduce both as painlessly as possible. If the farmers are paid "for the products they do not raise," they can afford to produce less. If their lands are bought, and provision is made for moving them to other territories and other occupations, the United States can contract its agriculture in line with the decrease in world demand. Agriculture, these authors say, is being remade—and it is being remade by chemistry.

"Life Takes a Holiday," by Frank C. Hanighen. *The Forum*, August, 1935.

Usually statistics have not been on the side of the pacifists. When they have raised their voices against the waste and devastation of war, there was always a statistician to point out that these ravages were repaired in the post-war generation, by increases in the birth rate and declines in the death rate. Europe had never failed to recover from her wars in the past. Most statisticians believed that Europe was recovering from the great World War of the twentieth century.

But Mr. Hanighen declares that such is not the case. Since the war, it is true, the birth rate has increased. But it has done so slowly, and in at least one great nation, France, it is already beginning to retreat. The death rate has decreased, but less markedly in the last decade than in any other in recent history. Mr. Hanighen explains this by pointing out that heretofore scientists battling with the death rate have been encouraged by victories over such diseases as typhoid fever and malaria, which could be dealt with by improved sanitary conditions. Now they have gotten down to the bedrock of organic diseases—heart trouble, cancer, and old age, and their progress is not so rapid.

He concludes that Europe, and the United States, as well as the older civilizations of Asia, are in the grip of forces which will prevent their easy recovery from another general slaughter like that of 1914-1918. Mr. Hanighen may be criticized for assuming, throughout his article, that the world should regard stationary population as an unmixed evil.

## THOUGHTS AND SMILES

Mussolini seems to be a man of peace who gets along well with the folks at home by shaking the olive branch in a most threatening manner. —*Kansas City Star*

Even if the meek do inherit the earth, the lawyers will take most of it in the will contest. —*Dallas Morning News*

There's always room at the top—after the investigation. —*Oliver Herford*

Things work out. A season of adversity makes a rugged race, and that's the kind it takes to pay off the bonds. —*Akron Beacon-Journal*

When I have one foot in the grave I will tell the truth about women. I shall tell it, jump into my coffin, pull the lid over me, and say "Do what you like now." —*Tolstoy*

Adolf Hitler, we read, says there have been times when starvation was staring him in the face. It couldn't have been very pleasant for either of them. —*EVERYBODY'S WEEKLY (London)*

Senator Borah has had no luck in his efforts to make the Republican party turn toward the left. The G. O. P. would rather be right than elect a president. —*THE NEW YORKER*

Human destiny is a race between ordered thought made effective by education, on the one side, and catastrophe on the other; so far, catastrophe seems to be leading. —*H. G. Wells*

"Two in Fatal Fight with Same Pistol." A couple of Scotchmen? —*Boston Evening Transcript*

The fact that the earth was created in six days proves conclusively that it wasn't a government relief job. —*Ohio State Journal*

The President urges our entry into the World Court. The Senate will agree, provided it is understood that we are never to lose a case. —*THE NEW YORKER*

Wars can't be waged without lies on all fronts. Truth is the first casualty. —*Sir Arthur Ponsonby*

Claims for shares in the \$2,000,000 estate of an Oklahoma Indian have been filed by 130 heirs. What do they mean, "Vanishing American"? —*Atlanta Constitution*

If its taxes are raised, the Hollywood movie colony threatens to leave California in a caravan of covered wagons. Somebody will have to compose a good theme song first. —*Wichita Eagle*

Battles may invariably go to the strong, but the swift hit all the telephone poles. —*Kin Hubbard*



From an illustration in "Whalers of the Midnight Sun."

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

**John:** I am very much impressed with Walter Lippmann's discussion of President Roosevelt and his policies in the August 20 New York Herald-Tribune. He argues that the President should stop acting as if we were still in the midst of an economic crisis. He should quit rushing bills through in a hurry. That was proper enough as emergency legislation; but now that the emergency has passed the President should return to normal legislative practices.

**Mary:** What do you mean by normal legislative practices?

**John:** He should announce his program. He should let the people know in advance what he intends to do and should then give Congress time to deliberate on important measures.

**Mary:** Hasn't Congress had plenty of time to deliberate on the measures before it?

**John:** No. Here in the last days of the session the attempt is being made to railroad through a lot of legislation such as the Guffey coal bill, the tax program, the banking bill, and a number of others of almost equal importance.

**Mary:** I'll admit that there was something of a jam during the last days of Congress, but that's nothing unusual. It frequently happens. The point is that these measures, most of them, were discussed for weeks and months. Take the coal bill, for example. It is true that the President tried to get action quickly before Congress adjourned, but the facts about the coal industry have been pretty well known throughout the country for 10 or 15 years. A commission appointed by President Harding made a very exhaustive report, and the Guffey coal bill itself has been before Congress and before the country for months. About the same thing is true of the other measures. Even the tax program was put forward the middle of June. It seems to me that the country has had plenty of time to make up its mind whether it wants higher taxes on large incomes and large estates.

**John:** The tax program certainly was never submitted to the people for their consideration, and it seems to me that it is very unwise to bring in reform measures of this kind at a time like this, at a time when we are recovering from the depression and will soon be on our feet, if only confidence can be restored. But now the President comes along with a plan to tax wealth. This tends to destroy confidence and hamper recovery.

**Charles:** I don't quite see how the tax bill will interfere much with recovery. It doesn't go very far in the direction of increasing taxes. It affects only a very small part of the population. It raises a little revenue, though not very much. So far as it goes I should say it is a good thing, though it certainly doesn't go very far.

**John:** But heavier taxation discourages private initiative, and private initiative is what we need just now.

**Charles:** Yet everybody is talking about business revival in England. England is pointed out as the country that has recovered more than most any other, and yet the English tax themselves far more than we do.

**John:** They don't tax the rich any heavier than we do. The tax bill just rushed through Congress will take away three-fourths of the income of the very wealthy, and the inheritance or estate taxes are so high as practically to break up great estates like that of Henry Ford.

**Charles:** What of it? Suppose Henry Ford's estate were broken up. It might be hard on Edsel. It would leave him only a few hundred million dollars which he now owns, but the rest of the Ford estate would be divided into shares and these shares would be sold to the public, and the Ford properties would be operated by a corpora-



tion, just as the General Motors Company is.

**John:** Then, you approve of the tax bill, do you?

**Charles:** No, I don't think very much of it. I think it is a political trick. It doesn't raise very much revenue, and it doesn't get enough money from the very rich to lift much of the burden of government from the poor. But I can't see that it really retards recovery.

**Mary:** I favor the tax bill. I don't consider it perfect, and I wish it were much heavier than it is. But we can only take small steps at any one time, and it seems to me that it is a step in the right direction. So far as the other reform measures of the Roosevelt administration are con-

off, relatively, as he was before the war. He wants labor to have higher wages. He wants to regulate the utilities so that frauds such as those perpetrated by Insull can be avoided. He wants to cooperate with business in the effort to maintain fair business practices. He has announced all these objectives. It seems to me that that is about all he can do just now. After all, should the President be expected to outline a program for years to come? He's been busy enough trying to get certain concrete measures adopted at this session of Congress. I don't see why you and Walter Lippmann should get nervous. In one breath you complain about the size of his present program, and then you turn around and object because he doesn't specify more definitely



THE RUSH JOB

—Talbot in Washington News

cerned, I believe that they should be supported. I am thinking of measures like the Wagner act, which will give a better deal to labor; the social security act, which will relieve the aged and the unemployed; and the coal act, which will stabilize a sick industry.

**John:** But wouldn't it be better not to bring up disturbing programs of that kind right now when we are convalescing and in danger of suffering a setback?

**Mary:** If measures of this kind are not put through during times of economic stress, they never will be. In times of prosperity no one thinks of reform; and so we go on headlong until we rush into disaster such as we met in 1929.

**John:** But how about Lippmann's point that the President should outline his future policy so that we may know what is coming? Shouldn't the President tell what he is going to do?

**Mary:** I think that President Roosevelt has given a pretty good idea of what he wants to do. He doesn't know, however, just what he can do. He doesn't know how much of his program the Supreme Court will hold to be constitutional. He doesn't know how much of it the people will support, how much he can get through Congress. He has let it be known that he wants a better distribution of wealth. He wants to increase prices, especially farm prices, so that the farmer will be as well

the things he is anxious to accomplish.

**Charles:** I agree with nearly all you have said, Mary. But on one point, I'm inclined to side with John. I don't agree with you, John, that the depression is over, and that we have reached a period of safety. I don't agree with the idea that all we need now is unbridled personal initiative. I think that the government, with a strong hand, should guide the nation and should plan the national economy. But it seems to me that the President's steps in that direction are so weak that he really isn't accomplishing much. He puts through a few measures which sound very well, like the social security act and this new bill to "tax the rich," but he isn't actually bringing about any effective redistribution of wealth. He isn't establishing a more stable economic society. Since he isn't getting anywhere with his reforms, it might be better if he threw them aside altogether and stopped meddling and bothering industry. Then, perhaps, we would have a quicker immediate recovery, though I feel absolutely certain that a recovery of that kind along conservative lines would be followed by a crash worse than that of 1929.

**John:** I'll take my chances on immediate recovery. I would like to see all the measures which interfere with business confidence put aside so that business might get back to normal quickly.

**Mary:** Meanwhile, what about the 10,-

000,000 people who are unemployed? They constitute the greatest possible threat to business confidence. Business is objecting to the money the administration is spending. But it has to spend money if these 10,000,000 are to be fed and clothed. And if they aren't fed and clothed at government expense, there will be such disorder that business confidence will suffer more severely than it has as a result of the administration's reform program.

## Canadian Election to Decide on New Deal

(Concluded from page 2, column 4)

give the Canadian government a greater hold over its citizens than it has ever had in the past, and Mr. King's party is founded on the right of the individual to go as far as possible in his economic pursuits without any supervision by the government. His second objection is political. The Liberal party fears that the national government at Ottawa will grow, in size and influence, at the expense of the provincial governments. Mr. King has been very hostile to the method by which Premier Bennett has been building up the power of the Ottawa government. When the premier was faced by opposition from the leaders of the provincial administrations, who claimed that wages, hours, and working conditions were the concern of the provinces, and not of the national government, he acted in a direct fashion. He claimed that the parliament at Ottawa had the power to make treaties, to incur international obligations, and to see that those obligations were observed throughout Canada.

The dominion has taken part in the work of the International Labor Organization, which belongs to the machinery of the League of Nations at Geneva. Representatives of the Canadian government have signed agreements with the Organization, pledging themselves to regulate wages, hours, and working conditions in the dominion. On the basis of these agreements, which the premier presented for ratification to the dominion parliament, Mr. Bennett claimed that Canada had undertaken an international obligation, which the national government had to enforce.

Behind the battle of personalities, there are the facts of Canada's economic development. Far more than the United States, Canada is a pioneer country, sparsely settled and with great farming and forest areas ready for the needs of the future. Potentially, Canada can become an important exporting nation, supplying wheat, timber, minerals, and fish to the markets of the world. In the past 50 years Canada's exports have increased, largely to the United States and Great Britain's colonial empire. But with the onset of the depression, together with the nationalism and high tariffs of the post-war world, Canada and other exporting nations have been unable to sell all that they want abroad.

Canada's voters can choose between two ways of meeting this problem. They can follow Mr. Bennett, who proposes to recognize the fact that Canadian export agriculture is shrinking, and believes that the way out is a reorganization of the farmers' way of life. He would attempt to build up the purchasing power of the industrial workers, by shortening hours and increasing wages, thus enabling them to buy more from Canadian farmers, and he would relieve the condition of the farmers directly, by paying them cash benefits, restricting production, and helping them to adjust themselves to a lowered demand for their products. Substantially, that is the program of the AAA for American farmers, who have found themselves in a similar position. On the other hand, the Canadians may be convinced by Mr. King, who is telling them that this government regulation would cut down the dominion's production and impoverish all Canada, whose only hope for the future lies in a slashing of tariffs all over the world, a universe where nations buy and sell without restriction, in "free trade" with one another. At present, it seems that Mr. King has a better chance than his rival, for his party has recently made great gains in the provincial by-elections.

# The Federal Government Low-Cost Housing Program

(Concluded from page 1)

usual procedure, the government, when it wishes to buy a piece of land, offers the owner what it considers a reasonable price. Then, if that owner refuses to sell, or insists on a higher price, the land is condemned and application is made to the courts to set a fair value on the property. The court renders its decision and the owner is forced to sell. He cannot, under the Constitution, hold back land which the government wants for a "public use." This is the regular procedure and it was employed by the Housing Division in its quest for land on which to build houses and apartments. However, a property owner contested the government's right to use such methods, and the Circuit Court of Appeals has upheld him. The point is made that housing is not considered a matter of "public use," and that for this reason the government cannot acquire land by condemnation.

## Supreme Court May Decide

The issue will most likely be carried to the Supreme Court, and a final ruling will probably be handed down during the next six months. But meanwhile the work of the Housing Division is severely embar-

is it, as is argued by the other side, public in nature? Controversy over this point has raged from the first day that the housing program was inaugurated. Private builders, and business in general, hold that the government should not engage in the construction of houses and apartments and that this field should be left entirely to the individual enterprise of citizens. On the other hand, it is claimed that rugged individualism has failed to provide housing facilities for impoverished people and that the government has a social duty to do so. Let us see the arguments on both sides.

We hear from private business, and from those who oppose any kind of government interference with business, that for the government to engage in housing is to take a step in the direction of socialism. Many business men think that the Roosevelt administration has already shown itself too socialistically minded and thus they hail the decision of the Circuit Court as an important check on the President. They believe the court has interpreted the Constitution properly by holding that housing is private and not public enterprise. The buildings, they point out, are to be used to house private families and are not in any



THE AMERICAN SCENE

From a wood engraving by Asa Cheffetz. (Courtesy Kennedy and Company, New York.)

the condition of American slums. There is hardly a person in the country who has not seen them. Go to any city or town in any part of the country and a slum district, often in an unspeakable condition, will not be hard to find. And, for that matter, unhealthy, ramshackle houses may be found in any rural district. It is obvious that such conditions impose a hardship on society as a whole. Slums breed disease and crime. A person brought up in an environment of this kind is much less likely to make a good citizen than one who has had a decent home life, who has not been surrounded from birth by dirt and degradation.

But why must these people live in such a lowly state? Why do not business men put up model homes and apartments for their benefit? The simple answer is that slum dwellers cannot afford to pay the price which business must ask in order to realize a profit upon its investment. Their income never exceeds \$1,200 a year and in many cases it is considerably lower. The most prosperous in this class cannot pay more than \$20 a month for rent and more frequently the family budget makes an even lower rent necessary. It is clear that modern living quarters cannot be obtained at such prices.

And so it is argued that the government must step in and make it possible for the underprivileged to have decent housing. The government has made an out-and-out grant of 30 per cent toward the labor and material cost which, incidentally, has recently been raised to 45 per cent. The rest is financed over a very long period of time at low interest rates. Even at this, the rents in federal projects are calculated to range from \$4 to \$7.50 per month for each room. There are numerous families which are too poor to pay the government price. They will have to continue in their \$3, \$5, or \$8 a month apartment or house.

## Government Program

However, the federal program, if carried out on a wide scale, would do much to relieve the slum conditions in the United States. But so far, the surface of our national housing problem has only been

scratched. One of the chief difficulties, aside from the Housing Division's own troubles, is that the people have failed to take hold of the problem in a spirited way. The need for good housing has not been brought home to them and they have been apathetic toward the government's efforts. If the housing question could be dramatized in such a way as to arouse the positive enthusiasm of the people it is probable that more would be accomplished.

## SOMETHING TO THINK ABOUT

1. Do you think the government should enter the low-cost housing field? Why?
2. In your opinion, was the decision of the Circuit Court of Appeals with regard to housing correct?
3. What advantages over the present system do you see in the proposed ship subsidy legislation?
4. What is meant by Canada's "New Deal"? Is it similar to the Roosevelt program in the United States?
5. On what ground does the Liberal party in Canada oppose the New Deal?
6. Do you agree with Walter Lippmann that President Roosevelt should announce to the people what his future policies will be?
7. What are the obstacles which block a union between Germany and Austria?
8. Why is France's position so difficult in the Italo-Ethiopian crisis?
9. What is Great Britain likely to propose as a last-minute measure to halt the war?
10. Which of the three methods proposed for spreading the costs of medical care do you favor?
11. What steps, in your opinion, will have to be taken by the government to make possible the realization of the American dream outlined by James Truslow Adams?

**REFERENCES:** (a) The Coming Canadian Election. *The Fortnightly*, July 1, 1935, pp. 21-30. (b) Canada Catches New Deal Fever. *Review of Reviews*, July, 1935, pp. 40-57. (c) Canada Considers Her Constitution. *Current History*, July, 1935, pp. 410-411. (d) Slums and Blighted Areas in the United States. *PWA Housing Division Bulletin No. 1*, U. S. Government Printing Office. (e) Ten Million Homes. *Survey Graphic*, May, 1935, pp. 221-222. (f) Standards for Low Rent Housing. *Architectural Record*, March, 1935, pp. 182-184.



THE HOUSE OF THE FUTURE?

©American Houses, Inc.

Will prefabricated homes supply the widespread demand for cheap housing?

rassed. If the government is to have no control over the prices asked for land which it requires, it cannot build houses without great expense, for the very knowledge that federal agents are seeking property in a particular district is enough to send real estate values in that section skyrocketing out of sight.

Of course, the housing program has not been brought to a complete standstill. In a number of instances the government has managed to obtain the necessary land. Seventeen projects are now under way and 50 more are under study. Some of the principal cities profiting from the government work are New York, Atlanta, Cleveland, Detroit, Cincinnati, and Minneapolis. For the new land needed, the Housing Division is turning to vacant lots, which can often be purchased at a reasonable figure. But the fact that the government cannot obtain land by condemnation is nevertheless a serious drawback.

Is housing, as the Circuit Court of Appeals holds, a purely private function, or

sense to be placed in the same class as post offices or parks. To their way of thinking the issue is clear and the government had best leave housing to business men.

## View of Private Business

But many people have quite a different idea with regard to the problem. They point out that according to the findings of various agencies one-third of the people in this country live in inferior and unhealthy dwellings. This means that about 40,000,000 people live in 10,000,000 homes which are well below what might be termed an American standard. In some of them the deficiency amounts to no more than a lack of electric lighting, central heating, or bathtub. But in a great many, conditions are far more serious. There is no running water, no sanitary facilities whatever, the rooms are dark and dingy and the entire building, often enough, is in process of rapid decay. In New York City there are 200,000 rooms which the sun never enters.

It is hardly necessary to elaborate upon



BY MEANS OF MODEL HOUSING PROJECTS THE HOUSING DIVISION IS TRYING TO PROVIDE DECENT LIVING ACCOMMODATIONS FOR THOUSANDS OF UNDERPRIVILEGED FAMILIES

—PWA Photo